


**CITY OF CORVALLIS
COUNCIL ACTION MINUTES**

November 19, 2007

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
Consent Agenda Pages 638-639			
Items Removed From Consent Agenda 1. AVI Biopharma Lease Option Page 639			<ul style="list-style-type: none"> • Approved lease option
Staff Reports 1. Sustainability Update 2. LCDC Meeting in Corvallis 3. City Manager's Report – October 2007 4. Council Request Follow-up Report – November 15, 2007 Pages 639-641, 643	Yes Yes Yes Yes		
Unfinished Business 1. City Legislative Committee – November 14, 2007 2. Senior Center/Chintimini Park Project Implementation Approval 3. North Riverfront Park Master Plan Design Review 4. Sidewalk Café: Hearing and Deliberations Pages 641-642	Yes		<ul style="list-style-type: none"> • Scheduled bond measure for November 4, 2008, election • Approved conceptual plan • ORDINANCE 2007-24 <u>passed U</u> • ORDINANCE 2007-25 <u>passed U</u>
Mayor's Report 1. Corvallis Youth Symphony Association Production and Honors 2. Pastega Family Honored 3. Upcoming Community Meetings Page 642	Yes Yes Yes		
Council Reports 1. Sustainability Presentations (Brown) 2. Oregon Driving Under the Influence Laws (Brown) 3. Sustainability (Brown) 4. Open Container Law Enforcement at OSU (Wershow) 5. Oregon Energy Trust Meeting (Daniels) 6. Downtown Commission Planning (Daniels) Pages 642-643	Yes Yes Yes Yes Yes Yes		

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
Items of HSC Meeting of November 6, 2007 1. Social Gaming Ordinance Review 2. Parking on Private Property 3. Mid-Valley Housing Plus Funding Request Pages 643-644	Yes Yes	Postponed to December 3, 2007	
Items of ASC Meeting of November 8, 2007 1. Economic Development Allocations Application Process and Calendar 2. Comprehensive Annual Financial Report (CAFR) 3. Funding Agreement Annual Report – Corvallis Environmental Center 4. Utility Rate Annual Review Pages 644-645, 667-668			<ul style="list-style-type: none"> • Approved process and revised calendar • Adopted Report for Fiscal Year 2006-2007 • Accepted report for Fiscal Year 2006-2007 • ORDINANCE 2007-26 <u>passed U</u>
Executive Session 1. City Manager's Employment Evaluation Page 645	Yes		
Visitors' Propositions 1. Committee for Citizen Involvement Concerns (Earhart) 2. Polystyrene Food Packaging Ban (S. Rogers, Anderson, Saul, Crawford, Landsberg, Mills, Hagen, Desilet, W. Rogers, Hunn, Whipple, McIntyre) 3. Growth Options for the 21st Century 4. Comments <ul style="list-style-type: none"> a. Senior Center/Chintimini Park Project (Earhart, Locker, Jones) b. North Riverfront Park Master Plan (Griffiths, Jensen, Livingston)  c. Sidewalk Cafés (Codo, Naasko, Bennett, White, Evans, Hessel, Allen, Little, Marie) d. Mid-Valley Housing Plus e. Utility Rate Increase Pages 646-666	Yes	Postponed	<ul style="list-style-type: none"> • CCI to develop advisory body protocol guidelines • ASC and CSC will discuss December 5th

Glossary of Terms

ASC	Administrative Services Committee
CCI	Committee for Citizen Involvement
CM	City Manager
CSC	Corvallis Sustainability Coalition
HSC	Human Services Committee
LCDC	Land Conservation and Development Commission
OSU	Oregon State University
U	Unanimous

and increasing stewardship, care, and maintenance of the Park. Residents not affiliated with OSU cannot use the OSU crew facility to access the River.

Mr. Livingston opined that the proposed Plan is practical, functional, respectful, restorative, inclusive, and safe. The proposed improvements would open the Park to people with a variety of mobilities, including pedestrians; bicyclists; people using wheelchairs, walkers, or strollers; boats; and vehicles. Under the proposed Plan, people would be able to drive to the edge of the River to feed ducks from a vehicle.

Mr. Livingston noted that many people have adapted to the current condition of the Park, but he believes the Park should be shared with everyone by the Council adopting the conceptual plan.

Mr. Livingston said the proposed path would be within five feet of the top of the riverbank. The overlook would be close to the top of the riverbank. When RCP was designed, overlooks were deemed an exception from the eight-foot setback requirement.

Mr. Livingston said the proposed Plan would not add impervious surface, based upon calculations of the existing gravel and pavement. The new surfaces would be an improvement but not an addition in area. He said the proposed sidewalks were important, as they would connect people from Second to the multi-modal path, would provide safety, and would provide Park users a route out of the area in case of danger.

Mr. Livingston asserted that the multi-modal path would connect to a path behind the 85-room Holiday Inn Express and would allow hotel guests to access the Park via a riverfront path.

During 1983, Mr. Livingston participated in ODOT's initial discussions for a northern bypass. From the early plans, he expects that the bypass would cross well above the Park and Second. The Plan is conceptual at this time and must pass the Willamette River Greenway Permit application review. He believes approval of the plan should not be postponed.

3. Sidewalk Cafés

Councilor Hamby reviewed that Ronald Naasko presented the sidewalk café issue to Urban Services Committee (USC) almost one year ago. USC discussed the issue during several meetings with opportunity for public input. Two ordinances will be presented to the Council tonight.

Dean Codo noted that the Municipal Code legislation regarding sidewalk cafés is intended to encourage a pedestrian-oriented environment. He suggested some amendments to the proposed legislation:

- Section 8.08.030, "Definitions."
 - The proposed language references obstructions on the ground greater than one-half inch in height. The October issue of "*the City*" newsletter states

that sidewalk maintenance is intended to ensure that sidewalk surfaces are smooth and do not have tripping hazards. He opined that one-half inch is a large tripping hazard. The United States Postal Service conducted a walking study and determined that people walking on a smooth surface lift their feet 1/32 of one inch, on average, with each step. In comparison to this study, one-half inch is a great height.

- The November issue of *"the City"* newsletter cites a required vertical clearance of eight feet above sidewalks. The proposed Municipal Code language references a vertical clearance of at least seven feet, which was based upon the building code requirements for doors and is one foot lower than was cited in the newsletter. A lower ceiling, whether in a room or under a tree canopy, can make a room or area feel smaller.

If the community has a goal of reducing vehicle use and increasing walking, Mr. Codo asserted that sidewalks should not be narrower, have a lower vertical clearance, and be more cluttered more hazardous; sidewalks should be larger, more gracious, and more inviting.

Mr. Codo recommended that sidewalk café fences be prohibited. If the Oregon Liquor Control Commission (OLCC) requires a business to have a fence around its sidewalk café as a condition of its alcohol service license, resulting in the public losing access to the public sidewalk, the business should be restricted from serving alcohol outside.

In response to Councilor Daniels' inquiry, Mr. Codo clarified that the November newsletter cited an eight-foot vertical clearance above sidewalks, while the proposed Municipal Code legislation cites a seven-foot vertical clearance. He commented that a nine-foot vertical clearance creates a nice, airy atmosphere for an urban environment. A seven-foot vertical clearance will feel much lower.

In response to Councilor Beilstein's inquiry, Mr. Codo said he did not know whether the Americans with Disabilities Act (ADA) cited a standard height for tripping hazards.

Councilor Wershow commented that the City's Sidewalk Safety Program requires that sidewalk panels more than three-fourths of one inch above the adjacent panel be ground flush with the adjacent panel, based upon studies indicating three-fourths of one inch as the problem height differential threshold.

Ronald Naasko, 136 SW Washington Avenue, said he would still like all sidewalk café fences removed. He concurred with Mr. Codo's suggestion that a business required by OLCC to have a sidewalk café fence should be restricted to serving alcohol inside; this restriction would serve as a penalty against the business for the violation, rather than a penalty against Corvallis residents.

Mr. Naasko referenced the current Municipal Code requirement that sidewalk café permittees who do not utilize the sidewalk as authorized for a period of 48 hours must remove all tables and materials from the sidewalk. He said this provision is

not met by many businesses with sidewalk cafes – fences remain in place for weeks, even though tables and chairs have been stored for the Winter.

Mr. Naasko said he agreed with most of the proposed Municipal Code amendments, such as using pins to anchor sidewalk café fences and widening the pedestrian passageway from three feet to four feet. However, he still would like the fences removed. He believes businesses would be more prosperous without the fences because fences indicate that patrons are not welcome within the premises. He does not patronize businesses with fences.

Greg Bennett, 2514 SE Micah Place, was a member of the Bicycle and Pedestrian Advisory Commission, which discussed the issue of sidewalk cafés over a long time. More than ten years ago the Commission recommended that the Council take action regarding the cafés, including widening the pedestrian passageway to four feet. The Commission recently reiterated this recommendation to the Council. He thanked Mr. Naasko and Mr. Codo for continuing to advocate for sidewalk access. He noted that the ADA is a civil rights law. He considers the proposed one-foot widening of the pedestrian passageway an improvement. He challenged anyone involved with urban planning to say that a four-foot pedestrian passageway belongs in a pedestrian-oriented environment. He encouraged the Council to be informed and proactive regarding sidewalk access. He said it is not sufficient to label the proposed sidewalk clearance area as a pedestrian-oriented environment, when it does now allow people to pass each other, walk beside each other, hold a child's hand, or escort an elderly person. He referenced several improvements in the downtown area, including the curb bulbs to improve pedestrian safety. However, he believes three and four feet are not adequate pedestrian passageway widths. He opined that the proposed Municipal Code amendments are a good starting point. He suggested moving some of the sidewalk furniture and enlarging the sidewalks to accommodate everyone. It may be necessary to re-locate parking to enlarge the sidewalks. He believes the Downtown area is not a "pedestrian-oriented environment." He expressed hope that future planning efforts include leadership focused on pedestrian-oriented environment elements.

Hugh White expressed hope that the City describes sidewalks with the terms "sustainability" and "viability." In order to maintain viability Downtown, he hopes the City would not prohibit lower blade signs under awnings that can be seen by pedestrians and drivers. Signs eight feet high would not be visible.

Mr. White said the ADA states one-fourth inch as the allowed height for doorway thresholds in businesses.

Mr. White expressed hope that the Council would allow sidewalk fences to remain but be positioned outside the four-foot-wide pedestrian passageway.

Gary Evans, 1501 NW Monroe Avenue, manages Clodfelter's. He thanked USC members, staff, and the community for their time and testimony to the Committee. He believes that requiring non-compliant sidewalk café businesses to comply with the regulations would have avoided the regulation review that was conducted.

Mr. Evans urged the Council to approve Municipal Code amendments proposed by USC. He supports retaining sidewalk café fences. The proposed amendments would allow businesses to choose whether to have fences. He believes the cafés provide charm, color, and a desirable atmosphere, adding to the liveliness and sense of livability of Corvallis. His customers enjoy the ambiance and attraction to outdoor sidewalk dining.

Referencing testimony to USC that all uses of the sidewalks (including planters) should be subject to sidewalk rental fees, Mr. Evans advocates encouraging businesses to continue beautification efforts with planters and not charging fees for sidewalk planters. The planters beautify the community but are expenses to businesses and do not generate revenue.

Steve Hessel, 240 NW 16th Street, owns Clodfelter's. He noted that sidewalk café fences must be six feet from curbs and four feet from obstructions, such as lamp posts and tree wells. The fence at Clodfelter's is less than six feet from the curb in one location where a guy-wire attaches to the sidewalk. He commented that the four-foot-wide pedestrian passageway is not walled on either side; the clearance is intended to allow passage around objects. He is not required to have a sidewalk café fence but would like to retain his fence because he likes the fence concept and function.

Laura Duncan Allen, 7044 NW Grandview Drive, emphasized that sidewalks are public spaces. In the Downtown area, individuals and families access services, facilities, and programs via sidewalks. Sidewalks are used for many purposes other than commercial. She opined that allowing commercial businesses to block more than one-half of the public sidewalk and not allow people to use the space seems incorrect.

Mayor Tomlinson recessed the meeting from 8:58 pm until 9:05 pm.

Greg Little, 1805 SW Longhill Street, operates Squirrel's Tavern in Downtown Corvallis. He supports sidewalk cafes, believing they are a positive enhancement for the community. He enjoys outside seating so diners can enjoy the outdoors and be seen and heard on the streets. He believed the existing legislation was well prepared, allowing for six feet of clearance. Most of the sidewalks near his business are 12 feet wide. He maintains six feet of clear sidewalk width, three feet of table area, and three feet of right-of-way within the sidewalk café fence. In one location his sidewalk clearance is only five feet wide because of a parking sign on the sidewalk.

Mr. Little said he believes sidewalk cafés should comply with the Municipal Code regulations, including the four-foot-wide pedestrian passageway requirement. He tries to accommodate the public and be aware of and sensitive to community members who want to use the sidewalk, leaving the sidewalk unobstructed. He asks patrons not to park bicycles adjacent to his sidewalk café fence, as they would impose on the pedestrian passageway. He tries to make his patrons aware of sidewalk accessibility.

Mr. Little opined that the new fee schedule of \$100 for all sidewalk café permits plus \$1 per square foot of café space in excess of 100 square feet seemed excessive. He believes fees for alcohol-related businesses are based upon their licenses, rather than the size of their sidewalk cafés. He noted that the sidewalk cafés use public sidewalks maintained by the adjacent property owners. The businesses maintain liability insurance for the sidewalks and must maintain the integrity of the sidewalks. He said he has difficulty reconciling the public and private aspects of sidewalks – the property owner is responsible for sidewalk maintenance but does not have a right to use the sidewalk. He urged the Council to review the fee schedule and reduce the square-footage rate. He acknowledged that the City maintains a right-of-way to the sidewalk and is entitled to charge for sidewalk use. However, he believes, as a property owner, he is already paying for use of the sidewalk, which should be considered.

In response to Councilor Zimbrick's inquiry, Mr. Little said he would be charged \$336 under the proposed fee schedule, including the \$100 permit fee.

Councilor Beilstein noted that, under the proposed ordinance, all sidewalk café establishments would pay a \$100 permit fee, regardless whether they served alcohol.

In response to Councilor Brown's inquiry, Mr. Little suggested that the square-footage fee be reduced to 50 cents.

Dana Marie, 105 SW Second Street, Apt. 306, lives across the street from Squirrel's. She has difficulty walking and maneuvering through crowds. Many people are on the Downtown sidewalks during the Summer. She mostly bicycles or drives. She suggested that the sidewalk café fences be removed for one year, noting that the issue can be reconsidered if there are problems. She added that many residents in the building where she lives have mobility problems.

Mr. Codo observed that no one testifying tonight complained about the sidewalk cafés; everyone seems to like the cafés, as they add to the community and the Downtown environment. The sidewalk café fences are the issue of contention.

4. Mid-Valley Housing Plus

This issue was postponed until the Council's December 3rd meeting.

5. Utility Rate Increase

Councilor York explained that ASC recommended a combined utility rate increase of 4.4 percent comprised of 7 percent for water, 3.5 percent for wastewater, and no increase for storm water. The proposed rate increase is primarily prompted by capital requirements at Taylor Water Treatment Plant and the Wastewater Reclamation Plant, which is why the increase rate exceeds the Council's policy of not increasing utility rates by more than the inflationary rate.

6. Others – None.

A. Committee for Citizen Involvement – Continued

Councilor York opined that the situations described by Mr. Earhart placed other Commission members in an uncomfortable situation. He suggested referring *quasi judicial* hearing body meeting protocols to a Council standing committee for review.

Councilor York clarified that the situation described by Mr. Earhart involved a Commissioner participating in one hearing, recusing himself from another hearing, during which he spoke as an applicant, and returning to his role as a Commissioner for the next hearing. He confirmed that the Commissioner did not participate in the Commission's deliberations of the application for which he testified.

City Attorney Fewel said staff has addressed the situation for many years, although it rarely occurs. Volunteers serving on City committees do not forego their rights as citizens. The situation Mr. Earhart described is not improper and is legal, although it may appear inappropriate. He has encouraged *quasi judicial* hearing body members to ask someone else to make their application presentation. It is improper for a member, while acting as an applicant, to participate in deliberations and decisions, which he has not heard had occurred. He said the situation could not be avoided without eliminating all volunteers who may have involvement in applications, yet their experience in the subject areas of the boards is a requirement for participation on the boards.

Councilor York opined that it would make sense, if a Commissioner were to testify in a hearing, to remove the hearing from the agenda, rather than the Commissioner changing roles during a meeting.

Councilor Brown concurred with Councilor York's concerns and suggestion. He said the Historic Resources Commission is smaller than the Planning Commission with a smaller pool of potential members due to specific membership requirements. He concurred that it is important to maintain appearances of appropriate protocol.

Councilor Beilstein said he could not envision another way to handle the situation, other than ask the Commissioner to forego his right to be an applicant; he does not believe Commissioners should be asked to make this sacrifice. He concurred that the situation appears bad, and there may be ways to minimize the awkwardness created by the situation. The Committee is developing guidelines for protocol for the various City advisory bodies. He believes it would be appropriate to ask the Committee to develop protocol guidelines for the Commission. Guidelines could include a Commissioner recusing himself for an entire meeting if he would participate as an applicant in any portion of the meeting, clearly stating that the recusal action is legal, and having someone else present the application to the Commission.

Councilor York concurred with Councilor Beilstein's suggestion of asking the Committee to develop protocol guidelines. The Council also concurred.

"senior center" in the ballot title, and this issue can be decided later. He said the project is positive, needed, supported, and well studied.

Councilor Daniels concurred with Councilor Brauner. She believes the ballot title is important because titling it "senior center" is misleading in terms of the City asking voters to consider funding to broaden use of the facility. Requests for the facility continue increasing as the community's population increases. The bond measure would include the possibility of playground improvements at parks throughout the city. The bond measure would continue funding the senior center function and would allow voters to support enhancing park facilities. She believes the ballot title is important, but the measure is multi-faceted, with the senior center being the focal point.

Mr. Nelson recalled from the Council's previous discussions that Council approval of a ballot measure is needed at this time. Details of the ballot measure (name, amount, components, etc.) could be discussed during early-2008.

Councilor Brauner moved to schedule the Senior Center/Chintimini Park Project bond measure for the November 4, 2008, election. Councilor Wershow seconded the motion. The motion passed unanimously.

C. North Riverfront Park Master Plan Design Review

In response to Councilor York's inquiry, Ms. Conway clarified that the amphitheater was removed from the proposed Master Plan. Additional parking could not be provided because of grades.

Councilor York referenced Ms. Griffiths' comments regarding the floodplain. Ms. Conway explained that the project was based upon the floodplain, criteria for the Willamette River Greenway Permit, and the top-of-riverbank concerns related to the Permit. A Community Development Department staff member participated on the stakeholder committee and assisted regarding how improvements should be designed and developed for approval through the Permit process. The Permit requires tree protection and encourages pedestrian connections. Those goals sometimes conflict with each other. Design of the multi-modal path gave preference to the trees, so the path was located on the edge of the Greenway boundary. The path location may be changed as the conceptual plan is reviewed through the Permit process. Similarly, the majority of structures were kept off the ODOT-owned property. The restroom would be located on City-owned property. The boathouse is partially on ODOT-owned property. The boathouse could be re-located, if ODOT needed to place pillars at that site. The areas within the Willamette River Greenway would meet the Permit criteria. The boathouse would be outside the floodplain, and the restroom would be on the edge of the floodplain. Park Planner Rochefort added that part of the restroom would be in the floodplain; however, this configuration is allowable. It was more important to honor the 25-foot Greenway setback, in which no structures are proposed. A portion of the multi-modal path would be within the setback, but its location was a balance to protect trees.

Councilor Hamby inquired about the proposed terraced seating. He speculated that, if ODOT installs a bridge, the area under the bridge would be decimated by the construction and then restored.

Ms. Conway responded that ODOT and staff are working together on the Park design regarding transportation facilities. Having an approved conceptual plan for the Park will help guide ODOT regarding structure locations. Staff would work with ODOT to minimize impacts of transportation facility construction. The PNARB decided to remove the amphitheater from the proposed Plan and to create informal terraced seating. The Plan no longer has the half-moon concrete pad attached to the multi-modal path. The PNARB did not want a pronounced, horseshoe-shaped, terraced seating area. The site for the seating has a natural "bowl," but the steepness of the site prevents good access for a seating area; therefore, the informal seating design was proposed.

In response to Councilor Daniels' inquiry, Ms. Conway and Ms. Rochefort confirmed that a portion of the restroom would be within the floodplain and would be elevated one foot.

Councilor Beilstein surmised that staff would not pursue the Willamette River Greenway Permit until ODOT determines that the proposed Plan does not present a use conflict. Ms. Conway confirmed that staff seeks Council approval of the conceptual plan. ODOT anticipates completing its planning process, with City involvement, within two years. When ODOT completes its planning process and consents to the City's plan, staff will apply for a Permit. Staff would update the Council throughout the process.

Councilor York moved to approve the North Riverfront Park conceptual plan. Councilor Zimbrick seconded the motion. The motion passed unanimously

D. Sidewalk Café: Hearing and Deliberations

Councilor Hamby summarized proposed Municipal Code amendments:

- Section 8.08.030, "Definitions," sub-section 4 specifies that clearances are measured horizontally from the outside edge of the sidewalk café delineation to any obstruction on the ground greater than one-half inch in height. The sub-section would also specify a vertical clearance of seven feet.
- Sidewalk café fences are not required or encouraged, unless fences are required by OLCC. If a business owner desires a fence, it must be semi-permanent in nature.
- Sidewalk café dimensions and furniture and fence placement must be included in the permit application.
- Sidewalk café perimeters must be visually marked. USC will discuss delineation options and design guidelines, which will not be included in the Municipal Code.
- The sidewalk café operation curfew is extended to 1:00 am Saturday and Sunday mornings.
- The pedestrian passageway clearance requirement is extended from three to four feet.
- A businesses operating a sidewalk café without a permit will be fined \$500 per day of operation.
- Businesses violating Municipal Code provisions will receive two warnings before a fine may be imposed.

- All sidewalk cafés will be assessed an annual permit fee of \$100. Cafés larger than 100 square feet will be assessed \$1 per square foot beyond 100 square feet.

Councilor Hamby thanked Development Services Division Manager Carlson for his work on the sidewalk café review.

Councilor Daniels noted that Section 8.08.070, "Location Rules and Review Criteria," subsection e) requires maintenance of accessible routes into, throughout, and adjacent to sidewalk cafés.

Mr. Fewel read an ordinance relating to sidewalk cafés, amending Corvallis Municipal Code Chapter 8.08, "Sidewalk Cafés," as amended, and stating an effective date.

Councilor Brauner expressed appreciation for the Committee's work on the sidewalk café review and the participation of the various parties. He noted that not everyone was happy with all aspects of the proposed ordinance, which may indicate a good compromise. The Committee, with community input, presented a good proposal that makes sense. He will support the ordinance.

Councilor Beilstein noted that The Beanery on SW Second Street has operated a sidewalk café without a permit for several years. He believes The Beanery operates its café in a responsible manner and does not create access problems. However, the café would not be eligible for a permit because it does not maintain the required six-foot clearance from the curb. The sidewalk between the building and the café tables and chairs is kept clear. The seating area is between the pedestrian area of the sidewalk and the curb. He likes how the café is operated, noting that it is successful; however, it would not comply with the proposed ordinance. The Beanery minimizes accessibility issues through its café design. He does not want to amend the proposed ordinance, but he believes The Beanery's sidewalk café design should have been considered earlier in the review process.

Councilor Hamby referenced from the staff report Mr. Fewel's letter regarding the rights of businesses that lease public sidewalk space from the City.

Councilor Beilstein said he understood that OLCC regulations might require a business using the sidewalk to control and restrict access to their leased space, such as via a fence. He said the proposed ordinance clearly indicates that the sidewalk space would be rented and not public. He wondered whether the rental rate recommended by USC was equitable. Considering the undeveloped nature of the sidewalk space to be rented, \$1 per square foot per year is reasonable. He noted that the proposed sidewalk café rental would cause the City to forego public access to the leased sidewalk café space, and the lessee would have the same rights that any renter has for use of rented space.

ORDINANCE 2007-24 passed unanimously.

Mr. Fewel read an ordinance relating to sidewalk cafés, amending Corvallis Municipal Code Chapters 8.03, "Fees Chapter," as amended, and stating an effective date.

ORDINANCE 2007-25 passed unanimously.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS,
AND MOTIONS – Continued

B. Administrative Services Committee – November 8, 2007 – Continued

1. Utility Rate Annual Review

Councilor York referenced the City's policy that targets utility rate increases but provides for exceptions. This year's rate review was affected by capital requirements. The Committee and staff reviewed and deemed the proposed rate increases as reasonable to maintain solvency and meet capital requirements. He noted that the proposed rate increases would still place the City in the middle range of comparator cities regionally and statewide.

Mr. Fewel read an ordinance amending Corvallis Municipal Code Chapter 3.06, "City Services Billing," as amended, and stating an effective date.

In response to Councilor Wershow's inquiry, Public Works Director Rogers said the City has a utility write-off account, but he does not know the rate of uncollected accounts each year.

In response to Councilor Hamby's inquiry regarding Mr. Schmidt's e-mail about the City's watershed, Mr. Rogers explained that the adopted master plan for the watershed property does not align with Mr. Schmidt's proposal of using timber revenue to offset water rate increases. Significant amendments to the plan would be necessary to achieve Mr. Schmidt's proposal. He said the amounts Mr. Schmidt cited were incorrect.

Councilor Hamby said the recommended seven-percent water rate increase seemed high and inconsistent with the fund activity over the past year for the various utility funds.

Mr. Rogers responded that staff plans utility needs for seven years at a time, incorporating all known and anticipated costs. Projects are scheduled for appropriate time intervals, and their respective costs are added to the financial model. A water rate increase of less than seven percent for next year will not accommodate the anticipated expenditures for the year. For the past few years, staff tried to overcome the costs of some very large projects that prompted water rate increases. Rates should decrease, except that funding "borrowed" from the water systems development charge fund must be re-paid. The sewer fund is similar, but its peaks began earlier and lasted longer, resulting in a reduced need for rate increases. Sewer rate increases were implemented before the combined sewer overflow project of the late-1990s. The storm water fund had a good balance, and related work was done five years ago with completion of the Storm Water Master Plan. Additionally, 75 percent of the street cleaning costs were transferred to the Storm Water Fund, rather than the Street Fund. This resulted in enough funding reserves to cover expenses, although the fund balance is decreasing. Within three or four years, the fund balance will be negative without a rate increase.